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C O N F I D E N T I A L SECTION 01 OF 03 TAIPEI 000956

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STATE PASS AIT/W

E.O. 12958: DECL: 02/01/2015

TAGS: PREL PGOV CH TW SUBJECT: ANTI-SECESSION LAW: CONTENTS TO DEFINE TAIWAN'S

REACTION

REF: A. TAIPEI 865

¶B. TAIPEI 934 1C. TAIPEI 877

¶D. TAIPEI 773

Classified By: AIT Director Douglas Paal, Reason: 1.4 (B/D)

11. (C) Summary: The Chen administration is preparing two responses to the PRC's Anti-Secession Law, depending on the PRC draft's contents. Officials say that if the law includes ambiguity about "one China," and no reference to the use of "non-peaceful" means to resolve the Taiwan Strait issue, they will simply reiterate Taiwan's position on the sovereignty of the "Republic of China" and restart efforts towards dialogue. If, however, the PRC law outlaws Taiwan independence activities, asserts that Taiwan is a province of the PRC, or states conditions for using force, Chen administration officials say they will respond sharply. Democratic Progressive Party (DPP) Chairman Su Tseng-chang told a crowd on March 6 that one reaction to a toughly-worded law would include an April 500,000-plus person anti-annexation rally led by President Chen Shui-bian. Observers say that the contents of the PRC law could also undermine the Chen administration's attempts to forge a working relationship with the People First Party (PFP) and perhaps even the DPP's broader recent shift to the political center. All of this underscores that Taiwan domestic politics will be an important determinant in how the DPP government reacts. End Summary.

Preparing for Better or Worse

- $\P 2.$ (C) National Security Council (NSC) Senior Advisor for cross-Strait affairs Chen Chung-hsin told AIT on March 7 that the government has reached an internal consensus on its response to a PRC announcement on the contents of the Anti-Secession Law. Chen said the government hopes that the PRC law would be light on substance, but is preparing for the worst. Chen stated that a law that referred to Taiwan simply as "part of China" (vice the PRC), urges "peaceful unification," and contains other ambiguous formulations would elicit from Taiwan a restatement of its position that Republic of China is a sovereign and independent country, it belongs to the 23 million people of Taiwan, and any change to its sovereign status will require the agreement of the Taiwan people." After making such a pro forma response, Chen said the government should be able to resume recent initiatives to reopen an economic and political dialogue with Beijing.
- 13. (C) Chen expressed concern, however, that the PRC law may yet contain language that Taiwan has defined as "harsh," despite the mild commentary by PRC leaders over the weekend. Chen said that the government has narrowed its definitions of a "severe" law to: 1) statement that Taiwan is a Province of the Republic of China; 2) reference to conditions under which "non-peaceful means" would be used to resolve the Taiwan issue; 3) definition of "Taiwan independence activities" as illegal. Chen warned that "we would be under immense pressure from our Pan-Green supporters" if Beijing's law included one or more of these formulations. At the very least, Chen stated further economic liberalization and efforts to bridge the "1992 consensus" (Ref A) gap would be put on indefinite hold. Chen added that a reference to "one country, two systems" would not be welcomed, but may not, on its own, be considered grounds for a strong Taiwan reaction.

Warning (Loudly) of Consequences

14. (C) Chen acknowledged that DPP Chairman Su Tseng-chang's March 6 warning that President Chen Shui-bian would lead more than a half a million people to protest the Anti-Secession Law is among the responses to a perceived "harsh" text under active consideration. Su made the announcement during a DPP-organized anti-annexation rally in Taipei, despite assurances given to AIT from the NSC on March 4 (Ref B) that Su would not mention the President's participation at the proposed April march. At the same March 6 venue, Premier Frank Hsieh warned that PRC leaders would have to take full responsibility for the reaction in Taiwan if they proceed with action on the Anti-Secession Law.

15. (C) The DPP event was held on the same day as a public anti-annexation protest held in Kaohsiung, organized by the Taiwan Solidarity Union (TSU). Turnout at the DPP event was less than 1,500, while AIT/K observers estimate the Kaohsiung crowd at no more than 15,000. Despite the modest turnout at the two March 6 rallies, observers tell AIT they expect a strongly-worded law to put enormous pressure on President Chen to pull back from his recent moderate line. KMT ethnic Taiwanese faction (bentupai) leader James Chen told AIT that the timing for the PRC law could not have been worse. "The TSU will ride this right into the May 14 National Assembly

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- (NA) election," he warned. Chen added that if the TSU were to perform strongly on May 14, the fury of DPP fundamentalist anger at Chen's recent moderate line could dwarf their outcry over Chen's February 24 meeting with PFP Chairman James Soong (Ref C). "Chen may be forced to abandon any attempts at compromise with the Pan-Blues just to quiet calls from his own base for his resignation," Chen remarked.
- 16. (C) Presidential Office officials acknowledge this risk, and say they are urging Soong to stand side-by-side with Chen on the Anti-Secession Law once it is announced in order to demonstrate that the DPP is not selling out Taiwan in exchange for help from Soong. Chen administration officials won a small victory towards this united front when the PFP signed on to a Legislative Yuan (LY) resolution opposing the Anti-Secession Law on March 4 (see para 8 for text). However, officials remain concerned that Soong may yet break ranks with the President over the PRC law. Lin You-chang, a member of the Presidential Office-PFP working group, told AIT that Chen could tolerate Soong's low-key stance before the contents of the law are revealed (Ref D). However, Lin warned that if Soong were to remain silent in the face of a "harsh" Anti-Secession Law text, future DPP-PFP cooperation on cross-Strait and other issues could be put in severe jeopardy.

Comment: Two Choices

17. (C) On the eve of National People's Congress (NPC) deliberation, the Chen administration appears to have formally clarified its position over what would constitutes an "acceptable" Anti-Secession Law text. Whether Beijing knows or cares about Taiwan's position, however, is unclear to officials in Taipei. Officials remain equally uncertain over what exact steps -- protests, countervailing legislation, a referendum, or something else -- their own government may yet take if the PRC law does cross Taiwan's newly defined "red lines." In the end, Chen's actions may be dictated more by the actions of his erstwhile "allies," the TSU and PFP, than any premeditated policy decision. In

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short, Taiwan domestic politics may be the decisive consideration in how the DPP government responds.

18. Begin Informal AIT Translation of March 4 LY Resolution:

On behalf of the nation's citizens, the Legislative Yuan offers the following response to Mainland China's efforts to enact an "Anti-Secession Law":

- 1) Since its founding, the Republic of China has been a sovereign, independent country. Any unilateral attempt to change or weaken this sovereignty will require the support and approval of the people of Taiwan and the international community.
- 2) Peaceful development is not only the common value of the international community, it is also the desire of the people on both sides of the (Taiwan) Strait. Since the Beijing authorities are preparing to enact an "Anti-Secession Law," we make the following solemn appeal: If the contents of this law violate the rights of the Taiwan people, it will incite a strong opposition from the Taiwan people. Beijing should carefully consider this before proceeding.
- 3) The recent positive atmosphere created by the Lunar New Year charter flights is the result of the common achievements of the governments on both sides of the (Taiwan) Strait. We should use this spirit of consultation and respect to create mutually beneficial relations across the Taiwan Strait.
- 4) All the party caucuses of this chamber endeavor to work to support policies that will allow for peaceful relations across the Taiwan Strait.
 End informal AIT translation.
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